

(FORMER ENGLISH MANOR ELEMENTARY SCHOOL)

SUBLEASE AGREEMENT

BETWEEN

MONTGOMERY COUNTY, MARYLAND

AND

CREATIVE EDUCATION ASSOCIATES, INC.

DATED: April 27, 1981

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SUBLEASE AGREEMENT

THIS SUBLEASE (hereinafter referred to as "Lease"), made this 27th day of April, 1981, by and between MONTGOMERY COUNTY, MARYLAND (hereinafter referred to as "Landlord") and CREATIVE EDUCATION ASSOCIATES, INC. (hereinafter referred to as "Tenant").

In consideration of the mutual agreements hereinafter set forth, the parties hereto mutually agree as follows:

1. PREMISES: In consideration of the rent hereinafter reserved and the covenants hereinafter contained, Landlord does hereby lease and demise unto Tenant the premises at 4511 Bestor Drive, known as the English Manor Elementary School, Rockville, Montgomery County, Maryland. Said premises consist of the building, walkways, parking lot, driveway, and land contiguous to the building, as outlined in red and described on Exhibit "A", attached hereto and made a part hereof.

2. TERM: The term of this lease shall be for a period of ten (10) years, commencing on September 1, 1980 and ending at midnight on August 31, 1990. In the event the demised premises are deeded to the Landlord prior to the termination date of the lease, Tenant shall have the right of first refusal, at the end of the ten (10) year period, to renew the lease for an additional term of five (5) years, with rent and terms to be negotiated and agreed to by both parties; provided, however, Tenant shall have first given to Landlord notice of his intent to renew, in writing, not less than twelve (12) months prior to expiration of the initial term.

3. RENT: Tenant hereby covenants and agrees to pay or cause to be paid as rent to the Landlord the total sum of Three Hundred Fifty Thousand and 00/100 (\$350,000.00) Dollars, payable over the ten (10) year lease term. Payments shall be made in equal monthly installments, payable in advance on the first day of each month during the term of the Lease, in accordance with the Rent Schedule as shown in Exhibit "B", attached hereto and made a part hereof. Said rental shall be payable to Montgomery County Finance Department, Rockville, Maryland.

4. USE AND OCCUPANCY PERMIT: It is expressly agreed that payment of rent by Tenant shall commence on September 1, 1980, notwithstanding that Tenant may not have obtained a Use and Occupancy Permit in Tenant's name from Montgomery County by that date. Tenant agrees to make every effort with due speed and diligence to obtain such permit and Landlord agrees to cooperate and assist Tenant in obtaining such permit. Prior to obtaining a Use and Occupancy Permit, Tenant shall have the right to enter the premises, and shall assume responsibility as of July 8, 1980, for all utilities and for the building, its contents and security. Any renovations or improvements made by Tenant are made at Tenant's sole risk and expense, and Landlord shall not be held responsible for any claims filed for injury or loss of property due to renovation or improvements made by Tenant.

5. CONVERSION OF BURNERS: Landlord shall be responsible for conversion of the burners in the building's heating system to provide for the burning of #2 fuel oil in lieu of #5 fuel oil in the event that such conversion is mandated by law. Tenant shall reimburse Landlord for the cost of such conversion after completion in equal monthly payments over the remaining months of the ten (10) year lease term, which payments are in addition to rental payments.

6. RIGHT OF TERMINATION: Any time after five (5) years from date of commencement of this lease, Tenant shall have the right to terminate said lease by giving Landlord twelve (12) months' written notice, in advance. Upon such termination, the Tenant shall pay the Landlord a lump sum amount, which amount will be the sum of the following:

A. \$17,500.00, which represents six (6) months rent based on the average annual rent of \$35,000.00;

B. Any remaining balance of payments due Landlord under Paragraph 5. for conversion of burners; and

C. An amount which represents the difference, if any, between the number of years from the lease commencement date to termination date times \$35,000.00 and the total actual amount of rent paid by Tenant to termination date.

The Tenant shall not be due any refund or payment of any kind from the Landlord for any modifications or improvements to the premises, code-mandated or otherwise, made by Tenant.

7. HEATING AND AIR CONDITIONING SYSTEMS: Landlord will be responsible for delivering the demised premises to the Tenant with the heating and air conditioning systems in safe, working order, including conversion of the burners in the heating system to provide for the burning of #2 fuel oil, if required. Landlord and Tenant, jointly, will inspect each system when each is first placed into service, and if each system is functioning properly and safely, Tenant will accept each system for maintenance and repair thereafter.

8. CODE MANDATED AND CAPITAL IMPROVEMENTS/MODIFICATIONS:

A. Code Mandated Improvements/Modifications:

Tenant agrees to accept the premises "as is", and to undertake and pay for any necessary improvements/modifications in order to make the premises conform to local, State and/or Federal codes and regulations relating to the approved use and occupancy of the premises.

B. Capital Improvements: Tenant shall, at his expense, be responsible for making any other capital improvements which he requires or desires provided that such improvements to be made shall first have been approved by Landlord.

C. Landlord's Approval and Inspection: Landlord must approve in advance all structural improvements/modifications. Tenant will submit plans and specifications for approval by Landlord. Upon completion of said improvements/modifications, Tenant will notify Landlord. Landlord will inspect premises to determine that improvements/modifications were satisfactorily performed and are in conformance with previously submitted plans and specifications and applicable codes and regulations. If not reasonably satisfactory to Landlord, Tenant will make necessary corrections.

D. Reimbursement to Tenant: In the event that Tenant requests a renewal of this lease for an additional term of five (5) years as hereinbefore provided in paragraph 2, and Landlord does not have authority to grant such request, Tenant shall

be reimbursed by Landlord for any remaining balance of Tenant's cost of improvements/modifications in subparagraphs 8.A. and 8.B. above, amortized over a fifteen year period or the useful life of each such improvement/modification, whichever period is the shorter. The basis of costs of any such improvements/modifications for purposes of amortization and this paragraph, shall be determined on completion of Tenant's work as hereinabove described. An itemized statement of costs of any such improvements/modifications, with supporting bills and invoices, shall be provided Landlord by Tenant within sixty (60) days after completion by Tenant of any such improvements/modifications. If no objection to any items in such statement is raised by the Landlord within thirty (30) days after receipt thereof, Tenant may consider such statement as being approved by Landlord; provided, however, that Landlord shall have the right to audit and examine Tenant's books at any time after reasonable notice is given.

9. INSPECTION OF PREMISES: Tenant agrees to permit Landlord to make inspection of all code-mandated modifications and repairs. Failure by Landlord to so inspect shall not be construed as approval. Tenant agrees that all work will be performed in a professional and workmanlike manner. Tenant agrees to supply copies of necessary certifications as may be required by Landlord.

10. CONDITION OF PREMISES: Tenant agrees to maintain the premises, including all improvements, in a good condition and state of repair throughout the term of the lease, and any renewals thereof. For purposes of maintenance and upkeep, premises shall include the entire area which is outlined in red and described on Exhibit "A". Tenant agrees to keep the premises clean and neat in appearance at all times and to keep grass trimmed, trees treated and shrubbery pruned as necessary to keep them in good condition.

11. OPERATING EXPENSES: Tenant agrees to pay all maintenance and operating expenses commencing July 8, 1980, relating to the use and occupancy of the premises, including all maintenance and repairs, including, but not limited to, building and equipment, fixtures, roof, windows, and electrical systems; utilities; janitorial services; refuse removal; snow and ice removal

or treatment; telephones; security; maintenance and repair of heating and air conditioning systems (after acceptance by Tenant); and anything else required for operation and use of the leased premises. All code-mandated modifications and repairs shall be the responsibility of the Tenant.

12. RIGHT TO PURCHASE: In the event the premises, as described in Exhibit "A" herein, are deeded to Landlord prior to the termination of this lease, Tenant, with the concurrence of the Chief Administrative Officer, shall have the first right of refusal to purchase the demised premises for a price to be fixed in the following manner. Landlord and Tenant shall each select a qualified appraiser. The two appraisers so selected shall choose a third qualified appraiser. The respective parties shall each bear the costs of their own appraiser and the fee for the third appraiser shall be equally divided between the two parties. The price to be paid for the property by the Tenant shall be the fair market value as established by the appraisers. Tenant shall exercise his first right of refusal within ninety (90) days from the date appraisals are concluded and Tenant is notified of fair market value.

13. DEFAULT: Tenant shall be considered in default of this lease upon the happening of any of the following:

A. Failure to perform any term, covenant, or condition of this lease and the continuance thereof for thirty (30) days after written notice from Landlord.

B. The commencement of any action or proceeding for the dissolution or liquidation of Tenant, or for the appointment of a receiver or trustee of Tenant's property, and the failure to discharge any such action within thirty (30) days.

C. The making of any assignment for the benefit of creditors.

D. The abandonment of the premises by the Tenant.

If the rent aforesaid, or any installment thereof, shall remain unpaid after the same becomes due and payable as

aforesaid within ten (10) days after written demand having been made to the Tenant for the same, or if the Tenant or his assigns shall fail or neglect to keep and perform each and every one of the covenants, conditions and agreements herein contained, and if the same or any of them shall be broken for more than thirty (30) days after written notice (or such period as may reasonably be required to correct the default with exercise of due diligence after written notice) from the Landlord to the Tenant specifying the default, then and in each and every such case thenceforth and at all times thereafter, at the option of the Landlord or his assigns, the Tenant's right of possession shall thereupon end and determine, and the Landlord or his assigns may proceed to recover possession under the laws of Maryland. No default as hereinbefore provided shall be deemed complete unless at the time Landlord seeks to take any action based upon such alleged default, the same shall remain uncured.

Upon default, as hereinabove defined, the Landlord, with written notice by registered or certified mail to Tenant at 4511 Bestor Drive, Rockville, Maryland 20853, may terminate this lease immediately.

14. LIABILITY, PROPERTY DAMAGE AND FIRE INSURANCE:

A. Tenant agrees to obtain and keep in force during the term of this lease, and any extension thereof, a policy of liability insurance with bodily injury limits of at least Five Hundred Thousand (\$500,000.00) Dollars for each occurrence and property damage limits of One Hundred Thousand (\$100,000.00) Dollars for each occurrence, in an insurance company licensed in Maryland and acceptable to the Landlord.

B. Tenant agrees to obtain and keep in force during the term of this lease, and any extension thereof, a policy of Fire, Extended Coverage and Vandalism insurance on the building with limits of One Hundred Thousand (\$100,000.00) Dollars for each occurrence.

C. Tenant is responsible for fire, theft, and vandalism insurance on contents of premises.

D. Landlord shall keep in force his normal fire and liability insurance, written by a responsible company or companies on the premises as described in Exhibit "A". Landlord reserves the right to self insure. Tenant shall notify his fire or other casualty insurer that he waives any right of subrogation against the Landlord.

E. Tenant agrees, within thirty (30) days hereof, to deliver to Landlord the said policy or a certificate of insurance evidencing such insurance.

15. INDEMNITY: Beginning on September 1, 1980 and continuing on the first of each month thereafter, Tenant shall deposit into an interest-bearing escrow account, in Landlord's name, the sum of Five Hundred (\$500.00) Dollars until such time as deposits together with interest thereon will total an aggregate sum of Twenty-Five Thousand (\$25,000.00) Dollars. Said deposits shall be under the sole control of the Landlord and shall be security for the faithful performance of the terms and conditions of this lease. Upon the termination of this lease, all deposits and accrued interest shall be returned to Tenant; provided, however, that Tenant shall have faithfully performed all the terms and conditions of this lease.

16. USE OF PREMISES: The said premises are to be used only for Tenant's programs and activities, for activities which are not inconsistent with the main use of said premises as an educational facility, and for community or Landlord's use as are compatible. Tenant agrees to permit Recreation Department, and other County agencies' use, in addition to reasonable community use, of the auditorium/multi-purpose room, subject to reasonable regulations of the Tenant, during hours when not in use by Tenant at a nominal charge for utilities, janitorial service and building security as determined by Tenant and approved by Landlord. Any community use which presently takes place in the building shall continue. Request for use of the building by the community or Landlord must be made, in writing, to Tenant thirty (30) days in advance. Tenant retains right of refusal in the event a conflict with the Tenant's activities occurs.

17. RESPONSIBILITIES OF TENANT: Tenant covenants and agrees:

A. Not to strip, overload, damage or deface the demised premises or hallways, stairways, or other approaches thereto, of said building, or the fixtures therein or used therewith, nor to suffer or permit any waste to, in or upon said premises or any part of said building.

B. Not to keep gasoline or other flammable material or any other explosive in the building which will increase the rate of fire insurance on the building beyond the ordinary risk established for the type of operations above provided to be conducted therein, and any such increase in the insurance rate due to the above, or Tenant's special operations carried on within the demised premises, shall be borne by Tenant. Tenant shall not willfully do any act or thing upon the premises or in or about the building which may make void or voidable any insurance on the said premises or building, and Tenant expressly agrees to conform to all rules and regulations from time to time established by the Maryland Insurance Rating Bureau, or any other authority having jurisdiction.

C. Not to use or allow to be used the demised premises or any part thereof for any illegal, unlawful or improper purpose or for any activity which will constitute a nuisance to adjacent properties or the adjacent neighborhood.

D. Not to place upon the building any placard, sign, lettering or awning except such, and in such place and manner, as shall have been first approved in writing by Landlord. Tenant shall have the right to substitute "Creative Education Associates, Inc." signs, or similar signs, where "English Manor Elementary School" signs are in place at this time provided local codes and ordinances permit. Any permit required will be acquired by Tenant at Tenant's expense. The approval of the Landlord shall not be unreasonably withheld.

E. That all covenants of Tenant relating to the use or misuse of the demised premises and of said building and of

anything therein shall be construed to include use or misuse thereof by Tenant's agents, employees, patrons, and subtenants.

F. Tenant shall comply with all reasonable rules and regulations of the building promulgated from time to time by Landlord, and any violation of said rules and regulations shall be a violation of this lease.

18. DESTRUCTION OF PREMISES:

A. If the demised premises shall be destroyed or damaged from whatever cause, so as to render them unfit for the purpose for which leased, and if it is not reasonably possible to repair such destruction or damage within ninety (90) days, then Tenant shall be entitled to surrender possession of the demised premises by written notice to Landlord within fifteen (15) days after such destruction.

B. If the demised premises can reasonably be repaired within ninety (90) days from the date of damage, then it shall be the duty of the Landlord to so repair the premises to the extent that monies are available from the fire, vandalism and property damage insurance, as more specifically set forth in paragraph 14, provided that if the extent of damage is such as to cause the cost of repairs to be more than the monies available under the aforesaid fire insurance, and Landlord determines that it is not economical to make such repairs considering the extent of damage, cost of repairs, and rental or market value of repaired buildings, the Landlord may, at his option, terminate the lease.

C. In the event of any damage or destruction to which the above provisions are applicable, Tenant shall be granted a proportionate rebate and deduction from the rental payments made and to be made hereunder, for the period from the date of such damage or destruction until termination of this lease, corresponding to the portion of the demised premises with respect to which Tenant is deprived of normal occupancy and use.

D. In the event the demised premises shall be damaged or destroyed by fire or other peril covered by any Landlord's fire and casualty insurance policy on the premises, Landlord agrees to waive, if the policy so permits, any claims or subrogation by the Landlord's insurance.

19. EMINENT DOMAIN: If the demised premises or any part thereof shall be taken by any governmental or quasi-governmental authority pursuant to the power of eminent domain, Tenant agrees to make no claim for compensation in the proceeding, and hereby assigns to Landlord any rights which Tenant may have to any portion of any award made as a result of such taking (except as to property of Tenant taken or damaged in said taking), and this lease shall terminate as to the portion of premises taken when title to that portion of the leased premises is taken by the condemning authority and rental shall be adjusted to such date, provided, however, that if Montgomery County is the condemning authority the Tenant shall be entitled to the fair market value of this lease as of the date of taking. The rights of the Landlord to recover possession of the leased premises under the terms and conditions of this lease do not fall within the definition of "power of eminent domain" for purposes of this paragraph.

20. NON-DISCRIMINATION: This lease shall be governed by the Laws of the State of Maryland and Montgomery County and Tenant agrees to abide by the provisions of Executive Regulation No. 9-75 (re: Non-Discrimination in County Contracts) adopted July 7, 1977, and Section 11B-3 and Chapter 27 of the Montgomery County Code 1972, as amended.

21. STRUCTURAL ALTERATIONS: Tenant shall not make any structural alterations, changes, or improvements to the demised premises without the prior written consent of the Landlord, which consent shall not unreasonably be withheld. In case of said structural alterations, changes or improvements, Tenant may be required upon the termination of the lease or any extension thereof to restore to their original condition any alterations, changes, or improvements which Landlord noted would need to be restored in written consent which Landlord gave to Tenant for such structural alterations, changes, or improvements, less normal wear and tear. All moveable partitions, trade fixtures, floor covering, or equipment installed in the demised premises at Tenant's expense shall remain the property of the Tenant, and may be removed by Tenant. Tenant shall, however, repair any damage caused directly and exclusively by said removal.

22. ASSIGNMENT AND SUBLEASING: The Tenant shall be solely responsible for consummating arrangements with secondary users, however, Tenant shall not have the right to and shall not assign this lease nor sublease the demised premises or any portion thereof without the consent of the Landlord first obtained in writing, which consent shall not be unreasonably withheld. Any resulting assignment or subleasing or the consent of the Landlord thereto shall not release, discharge or affect the liability of the Tenant as provided in this lease for the full term hereof.

The Tenant shall notify the Landlord with regard to prospective secondary users and describe the type of usage contemplated and the terms of the parties' proposed lease arrangement at least thirty (30) days prior to consummation of any sublease. If no objection is raised by the Landlord within thirty (30) days, it shall be assumed that the Landlord consents to the prospective subleasing.

Community or citizen use of premises described in Paragraph 16. does not fall within the purview of this Paragraph.

23. ACCESS: Tenant shall allow Landlord, his employees or agents to have access to said demised premises at all reasonable times during normal working or school hours for the purpose of inspection, or in the event of fire or other property damage, or for the purpose of performing any work required to be performed by Landlord, or which Landlord considers necessary or desirable, or for any other purpose for the reasonable protection of demised premises or of the building of which it is a part.

24. HOLDOVER: If Tenant shall continue to occupy said premises or any part thereof after the conclusion of the term of this lease, or any extension thereof, his tenancy shall be deemed to be upon a month-to-month basis at the same monthly rent as that paid for the final month of the lease term, or extension thereof, and the tenancy thus created can be terminated by either party giving the other not less than thirty (30) days' written notice, to expire on the day of the month from which the tenancy commenced to run.

25. WAIVER: No waiver of any breach of any covenant, condition or agreement herein contained shall operate as a waiver of the covenant, condition or agreement itself or of any subsequent breach thereof.

26. NOTICE OF DEFECTS: Tenant shall give to Landlord prompt written notice of accidents on or damages to the premises.

27. QUIET POSSESSION: Landlord covenants and agrees that, if Tenant shall perform all the covenants, conditions, and agreements herein contained to be performed on Tenant's part, Tenant shall at all times during the term of this lease and any renewal or extension thereof have the peaceable and quiet enjoyment and possession of the demised premises for the purposes leased without hindrance of any person or persons whomsoever.

28. COMPLIANCE WITH LAWS: It is understood, agreed and covenanted by and between the parties hereto that Tenant at his expense, will promptly comply with, observe and perform all of the requirements of all of the statutes, ordinances, rules, orders and regulations now in effect or hereinafter promulgated whether required by the Federal government, State of Maryland, Montgomery County government, or Montgomery County Fire Marshal's Office.

29. HOLD HARMLESS: Tenant agrees to hold harmless and defend the Landlord from liability arising by virtue of the nature of the Tenant's business or through any negligence on his part, except such negligence as may be occasioned by the acts or omissions of the Landlord, his employees, agents and contractors; and further specifically agrees to hold Landlord harmless and to defend it from any claim of public liability made in connection with the installation or construction of equipment in the premises, notwithstanding that they may or may not be deemed to be a part of the premises herein described, except for such negligence as occasioned by the acts or omissions of the Landlord, his employees, agents and contractors.

30. SURRENDER OF POSSESSION: Tenant covenants, at the expiration or other termination of this lease, to remove all goods and effects from the demised premises not the property of Landlord, and to yield up to Landlord the demised premises and all

keys, locks and other fixtures connected therewith (except trade fixtures and other fixtures belonging to Tenant), in good repair, order and condition in all respects, reasonable wear and use thereof and damage by fire or other casualty and damage from any risk with respect to which Tenant is not herein expressly made liable excepted.

31. BENEFIT AND BURDEN: The provisions of this lease shall be binding upon, and shall inure to the benefit of the parties hereto and each of their respective representatives.

32. CONTRACT SOLICITATION: Tenant represents that he has not retained anyone to solicit or secure this lease from Montgomery County, Maryland, upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting for bona fide employees or bona fide established commercial, selling agencies maintained by Tenant for the purpose of securing business or an attorney rendering professional legal services consistent with applicable canons of ethics.

33. PUBLIC EMPLOYMENT: Tenant understands that unless authorized under Sections 11B-46 or 11B-54 of the Montgomery County Code 1972, as amended, it is unlawful for any person transacting business with Montgomery County, Maryland, to employ a public employee for employment contemporaneous with his or her public employment.

34. USE OF ADJACENT ATHLETIC FIELD AND PLAYGROUND AREA: Tenant shall have exclusive use of the athletic field and playground area, which are not a part of the leased premises, from 8:30 a.m. to 3:30 p.m., Monday through Friday, during the school year. The school year is considered to be September 1 through June 30. In addition, Tenant shall have right to use athletic field and playground area at other times than those aforesated by permission of Montgomery County Department of Recreation. Tenant shall not be responsible for maintenance of the aforementioned areas outside of the leased premises.

35. MAILING NOTICES: All notices required or desired to be given hereunder by either party to the other shall be given by certified or registered mail. Notices to the respective parties shall be addressed as follows:

TENANT:

Creative Education Associates, Inc.
4511 Bestor Drive
Rockville, Maryland 20853

LANDLORD:

Montgomery County Government
Office of Facilities Management
64 Courthouse Square
Rockville, Maryland 20850

36. PRIME LEASE-BOARD OF EDUCATION OF MONTGOMERY COUNTY:

Landlord has the authority and right to lease the demised premises to Tenant in accordance with the prime lease between the Board of Education of Montgomery County and Montgomery County, Maryland, attached hereto as Exhibit "C" and made a part hereof.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be properly executed.

ATTEST:

LANDLORD: MONTGOMERY COUNTY, MARYLAND

Demetrius J. Lymn

Robert K. Kendal

Robert K. Kendal, Assistant
Chief Administrative Officer

DATE: 4/27/81

WITNESS

TENANT: CREATIVE EDUCATION ASSOCIATE
INC.

Jean B. Gopstein

Robert K. Kendal

President or Vice President

DATE: 4/27/81

Approved as to Form & Legality
Office of the County Attorney

BY WJH

DATE 4/27/81

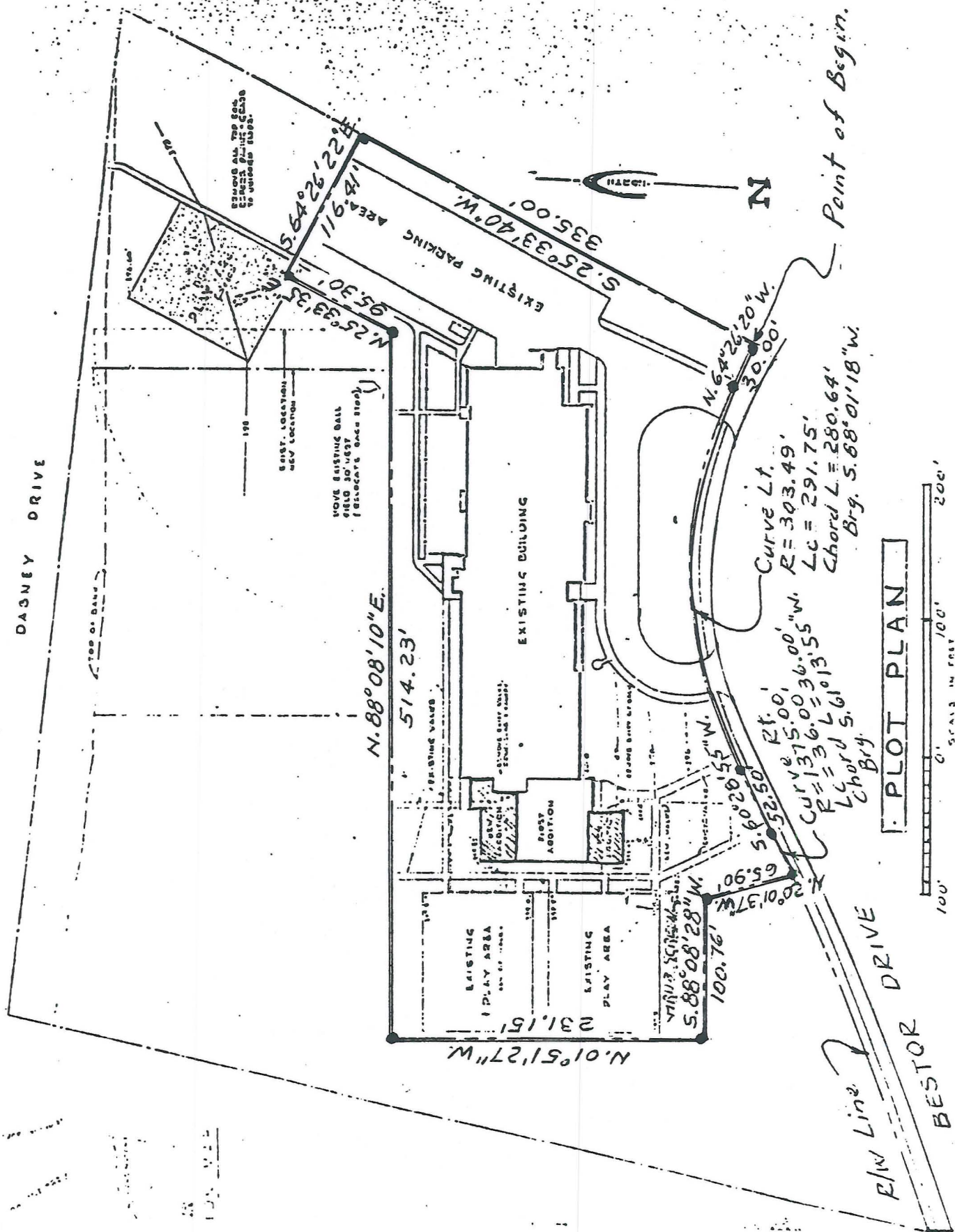
(CORPORATE SEAL)

Corporate Attestation:

I hereby certify that the above-named individual is authorize to execute this contract on behalf of the named Corporation

Rena L. Popkin
Corporate Secretary

EXHIBIT "A"



ENGLISH MANOR ELEMENTARY SCHOOL



LEASED PREMISES

The following is the description of that part of the former English Manor Elementary School property, outlined in red on Page 1, Exhibit "A", which the Landlord agrees to lease to Tenant as hereinbefore stated in Paragraph 1. of the sublease agreement.

DEED DESCRIPTIONPart of the English Manor Elementary School Property

"All that piece or parcel of land, being part of Parcel 3, Bel-Pre Woods, as shown on a plat of subdivision entitled "Plat Eleven, Bel-Pre Woods" and recorded among the Land Records of Montgomery County, Maryland in Plat Book 70 as Plat 6681; being also the same lands conveyed by J.B. Shapiro and Maurice C. Shapiro, joint tenants, to the Board of Education of Montgomery County, by deed recorded January 11, 1960, among the aforementioned Land Records in Liber 2693 at Folio 302 and being more particularly described as follows:

Beginning for the same at a monument, said monument also being the intersection of the northerly right of way line of Bestor Drive with the first line of Parcel 3 as shown on the aforementioned plat, thence running with the northerly right of way line of Bestor Drive the following four courses and distances:

1. North $64^{\circ}26'20''$ West, 30.00 feet, thence
2. 291.75 feet along the arc of a curve to the left, having a radius of 303.49 feet and a chord bearing and length of South $88^{\circ}01'18''$ West, 280.64 feet, thence
3. South $60^{\circ}28'55''$ West, 52.50 feet, thence
4. 36.00 feet along the arc of a curve to the right, having a radius of 1375.00 feet and a chord bearing and length of South $61^{\circ}13'55''$ West, 36.00 feet to a point thereon; thence leaving said right of way line, so as to include a part of said Parcel 3 the following six courses and distances:
 5. North $20^{\circ}01'37''$ West 65.90 feet to an angle point, thence
 6. South $88^{\circ}08'28''$ West 100.76 feet to an angle point, thence
 7. North $01^{\circ}51'27''$ West 231.15 feet to an angle point, thence
 8. North $88^{\circ}08'10''$ East 514.23 feet to an angle point, thence
 9. North $25^{\circ}33'35''$ East 95.30 feet to an angle point, thence
 10. South $64^{\circ}26'22''$ East 116.41 feet to intersect the first line of Parcel 3 as shown on the aforementioned plat; running thence with a part of said first line and with the rear lines of part of lot 3 and lots 4-7, Block 8, Bel-Pre Woods, thence
 11. South $25^{\circ}33'40''$ West 335.00 feet, to the place of beginning; containing a computed area of 147,534 square feet or 3.387 acres of land."

EXHIBIT "B"

RENTAL PAYMENT SCHEDULE

A. Rental Payment: Tenant shall make rental payments to Landlord in accordance with Paragraphs 3. and 4. herein and the rental payment schedule shown below.

	<u>LEASE YEAR</u>	<u>*MONTHLY PAYMENT</u>	<u>ANNUAL RENTAL</u>
-9-1-80 to 8-31-81	First Year	\$1,666.67	\$20,000.00
9-1-81 to 8-31-82	Second Year	1,666.67	20,000.00
9-1-82 to 8-31-83	Third Year	1,875.00	22,500.00
9-1-83 to 8-31-84	Fourth Year	2,083.33	25,000.00
9-1-84 to 8-31-85	Fifth Year	2,916.67	35,000.00
9/1/85 to 8-31-86	Sixth Year	3,791.67	45,500.00
8/31/86 to 8/31/87	Seventh Year	3,791.67	45,500.00
9/1/87 to 8/31/88	Eighth Year	3,791.67	45,500.00
9/1/88 to 8/31/89	Ninth Year	3,791.67	45,500.00
9/1/89 to 8/31/90	Tenth Year	3,791.67	45,500.00
<u>Total Annual Rent Due for Ten-Year Term</u>			\$350,000.00

*The twelfth monthly payment in each lease year shall be adjusted so that the total of the monthly payments for such lease year shall equal the total annual rental.

B. Rent Credit for Earnest Money: It is expressly agreed that upon execution of this lease agreement, the earnest money payment made by Tenant to Landlord in the amount of Three Thousand Three Hundred Thirty Three and 33/100 (\$3,333.33) Dollars under a Memorandum of Understanding dated June 24, 1980, shall be credited as monthly rental payments in full for the months of September and October, 1980.

EXHIBIT "C"

LEASE

THIS LEASE, made this _____ day of _____, 1980, by and between the BOARD OF EDUCATION OF MONTGOMERY COUNTY, MARYLAND, a governmental organization operating under the provisions of Article 77, Annotated Code of Maryland, 1969, (hereinafter "Landlord") and MONTGOMERY COUNTY, MARYLAND, a political subdivision chartered under the laws of Maryland (hereinafter "Tenant"),

WITNESSETH:

THAT in consideration of the respective covenants, conditions and agreements herein contained, it is agreed by and between Landlord and Tenant as follows:

ARTICLE I

DEMISED PREMISES AND TERM OF LEASE

Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the premises known as: English Manor Elementary School, 4511 Bestor Drive,
Rockville, Maryland 20853,
for a term of thirty (30) years, commencing on the 1st day of July,
1980.

Should tenant continue in possession after the end of the term herein with permission of the Landlord, it is agreed that the tenancy thus created can be terminated by either party giving the other not less than 120 days written notice and that all other terms of this lease shall remain in full force and effect until such notice is given or this lease is otherwise modified or terminated by the parties.

ARTICLE II

ASSIGNMENT AND SUB-LEASE

Tenant may assign this lease or sublease the demised premises without the consent or approval of the Landlord, provided that neither resulting assignment nor sublease shall release, discharge or affect the liability of the Tenant as provided in this lease, for the full term hereof.

ARTICLE III

IMPROVEMENTS

The Tenant accepts demised premises "as is"; provided however that the Tenant shall have the right at any time and from time-to-time, at its own



expense, during the demised term to make alterations, changes and new construction to the buildings, improvements, building fixtures and/or equipment located on the demised premises as the Tenant shall deem desirable for the convenience or requirements needed in the use and operation of the demised premises; provided, that any major structural, mechanical, or electrical alteration, change, demolition and/or construction to the building, improvements, building fixtures and/or equipment located on the demised premises requires the prior written approval of the Landlord in the manner designated herein by this Article III, which approval shall not be unreasonably withheld.

Building Plans - The Tenant shall prepare working plans, drawings and specifications (hereinafter referred to as the "Building Plans") for any proposed major structural, mechanical or electrical alteration, change, demolition and/or construction to the building, improvements, building fixtures, and/or equipment located on the demised premises which Building Plans shall be submitted to the Landlord, for approval, whose approval shall not be unreasonably withheld.

Character of Work - All work performed by the Tenant pursuant to this Article III, shall be performed at its own expense and in a good and workmanlike manner with good materials and in accordance with approved Building Plans. The demised premises shall be left at the completion of such work in a safe and clean condition and in good order and repair. All improvements shall become a part of the demised premises and surrendered by Tenant to Landlord on termination of this lease.

ARTICLE IV

INSURANCE AND INDEMNIFICATION

During the period of this lease, the Tenant shall at all time indemnify, defend and hold the Board of Education, the individual members thereof, and any school officials or employees harmless against all actions, claims, demands, costs, damages penalties or expense which result from the negligence or fault of the Tenant, which may be brought or made against the Landlord or which the Landlord may pay or incur by reason of any work on the demised premises which may be performed by or at the direction of the Tenant pursuant to this Article III or otherwise. Tenant shall, during the full term of this Agreement, or any renewal or extension thereof, carry with a company authorized and licensed to do business in the State of Maryland for the protection of Tenant and Landlord, public liability insurance with limits of at least \$100,000 for any one claim and \$300,000 for any one accident and property

damage insurance with a minimum limit of \$50,000; or, in the alternative, Tenant may self-insure in the amounts specified in this paragraph.

Tenant shall be responsible for insuring or self-insuring its own personal property on the premises.

Parties mutually agree to waive all rights of action against the other party to the extent of each other's insurance recovery.

ARTICLE V

OPERATION

Discrimination - Tenant shall not discriminate because of race, creed, color, sex, age, or national origin against any member of the public desiring to use the facility.

Utilities - Tenant shall pay for all utilities, including heat, electricity, water, sewer charges, etc. supplied to the premises.

ARTICLE VI

REPAIRS

Repairs - At all times during the term of this lease, the Tenant, at its own cost and expense shall maintain in good order and repair the demised premises and all improvements, landscaping, fixtures, parking facilities, and equipment thereon, making all repairs and replacements, interior and exterior, structural and non-structural.

Removal of Trade Fixtures - The Tenant may remove at or prior to the termination of this lease any movable personal property, trade fixtures or equipment installed by it on the premises. The Tenant shall repair any damage caused by such removal.

Signs - The Tenant may install or remove any signs on the exterior or interior of the facility.

ARTICLE VII

SURRENDER

On the last day of the term the Tenant shall surrender the demised premises and all improvements thereon in as good condition as when Tenant took possession, except for ordinary wear and tear, Acts of God, and casualties by fire and the elements only, excepted, and possession shall thereupon revert to the Landlord.

Landlord may terminate this agreement by providing written notice at lease two years prior to date of cancellation. Landlord will not cancel this agreement before the tenth (10th) anniversary of this lease. However, this agreement may be cancelled by mutual consent of Landlord and Tenant. The

tenant shall save the Landlord harmless from any and all actions and/or damages which may result from such decisions to cancel this agreement.

ARTICLE VIII

NOTICES

All notices required to be given by either party hereunder shall be in writing and notices to Landlord shall be sent to the Montgomery County Board of Education, Department of School Facilities, 850 Hungerford Drive, Rockville, Maryland 20850. Notices to Tenant shall be sent to the Montgomery County Government, Office of Facilities Management and Services, 64 Courthouse Square, Rockville, Maryland 20850.

ARTICLE IX

MISCELLANEOUS PROVISIONS

Integrated Agreement - This instrument contains all of the agreements and conditions made between the parties and may not be modified orally or in any other manner other than by an agreement in writing signed by all the parties or their respective successors in interest.

Successors and Assigns - All of the covenants, provisions, terms, agreements and conditions of this lease shall inure to the benefit and be binding upon the Landlord or its successors or assigns and upon Tenant, its successors or assigns (as herinabove permitted).

Fire or Disaster Damage - If during the term of this lease the building is so injured by fire or otherwise that the demised premises are rendered wholly unfit for occupancy and the demised premises cannot be repaired within ninety (90) days from the happening of such injury, then this lease shall cease and determine from the date of such injury provided that the Landlord gives written notice to the Tenant within thirty (30) days after the date of such casualty.

IN WITNESS WHEREOF, the parties hereby have caused this lease to be properly executed the day and year first written above.

ATTEST:

BOARD OF EDUCATION OF
MONTGOMERY COUNTY, MARYLAND



Edward Andrews, Superintendent

Date: 7/21/00